GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Water Resources Department -PIPHW- Package No.62- Investigation, soil exploration, preparation of designs, drawings and detailed estimates for the construction of right flank regulator and off take regulator, saddle dam –"E" & saddle dam – "F" including its construction for Right side connectivities of Indira Sagar (Polavaram) Project on EPC Trun key system – Consideration of SSR 2008-2009 as base price for the balance work as on 01.06.2008 for an amount of Rs.23.554 crores - Permission - Accorded - Orders – Issued.

WATER RESOURCES (PROJECTS.I) DEPARTMENT

G.O.RT.No. 129 **Dated: 17-02-2019**

Read the following:

1. Letter from the Engineer-in-Chief, Polavaram Irrigation Project, Dowlaiswaram Lr No.ENC,/PIP/DCE-1/OT-3/AEE-3/F.12, Vol 11, dt.05.11.2018.
2. From the Chief Engineer, PIPHW, Polavaram Irrigation Project, Lr No.CE/ PIP/ Polavaram/DCE-1/OT-2/Pkg62/14M, dt. 09.01.2019

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ORDER:

In the reference 1st read above, the Engineer-In-Chief, Polavaram Irrigation Project, Dowlaiswaram has stated that the work of "Investigation, Soil Exploration, Preparation of Designs Drawings and Detailed Estimates for the construction of Right Flank Head (P) Regulator, Off Take Regulator, Saddle Dam E & Saddle Dam F including its construction for right side connectivities of Polavaram Irrigation Project" was awarded to M/s Hindustan-Ratna (JV), for an amount of Rs.79.00 Crores vide EPC Agt No:61/2004-05, Dt.05.03.2005 at tender premium of (-) 17.2353% with an agreement period of two years. The technical sanction was accorded vide CE/ISP No.10/2004-2005 dated 11.02.2005 for Rs.98.93 crs, as per agreement conditions the work has to be completed by 04.03.2007. The work was delayed due to Non– clearance of LA and R&R issues including evacuation of the submerging villages, Stoppage of the work for one year from 05.05.2006 to 04.05.2007 as per the advice of the central empowered committee vide Govt. Memo No 12580, dated 04.05.2006 and the designs and drawings of the component works were approved in 2008-09 while that of the P-Regulator had been under process of finalization and at present 85.90% of the work is completed and the balance work is in progress.

2. In the reference 2nd read above the Chief Engineer, PIPHW Unit, Polavaram has submitted that the contracting agency, while submitting the estimate for revision of balance work as on 01.06.2018 with SSR 2008-09, has reported that the agency has been continuing the work despite encountering number of difficulties and hurdles in the execution of the work and also consequent financial losses. In the event of consideration of this revision, all the precedent issues pertained to the priceescalation including any other will be reviewed and taken care of. The Chief Engineersubmitted that the instant issue is relevant to the clause 4 of VII of the GO.MS.No.22, Dt.23.02.2015 that is "any other issues arising shall be examined by state level standing committee and high power committee for resolution."

(p.t.o)

3. The joint committee of the State Level Standing Committee and IBM, in its meeting held on 26.12.2018, discussed the proposal in detail and made the following observations and recommendations.

• The committee opined that it is justified to allow the SSR 2008-09 rates for the balance work as on 01.06.2008 as the contracting agency could not complete the work during the agreement period owing to the following reasons which are beyond control of the agency:

(i) Delay in resolving LA and R&R issues .
(ii) Stoppage of works for one year i.e. from05.05.2006 to 04.05.2007 as per Government orders.

• The IBM committee finalized the value of additional financial implication on account of revision of cost of the balance work as on 01.06.2008 with SSR 2008-09 as follows.

Value of balance work as on 1.06.2008 with agreement rates	:Rs. 77.393 Cr.
Price Escalation to be paid as per agreement conditions for the balance work as on 01.06.2008	:Rs. 5.673 Cr.
Value of balance work as on 01.06.2008 with SSR 2008-09 after applying tender Discount (-) 17.2353%	:Rs.106.62Cr.
Additional financial implication excluding Price escalation upto1.06.2008(Rs.106.62Cr-(Rs.77.393Cr.+Rs.5.673Cr.)	: Rs. 23.554Cr.

4. The additional financial commitment would be Rs.23.554 crores upon adopting 2008-09 SSR for balance works as on 01.06.2008 for Rs.106.62 crores which does not include the value of supplementary agreements, allowing price adjustment for labour, machinery and other materials as per the G.O. Ms No 22 dated 23.02.2015.

5. The Chief Engineer, PIPHW Unit, Polavaram has requested the Government to issue necessary orders for on the revision of balance work as on 01.06.2008 with SSR 2008-09 duly considering the tender discount of (-) 17.2353% less of Package No.62 of Polavaram Irrigation Project Head works for an amount of Rs.23.554 crores (Rs.106.62 crores - (Rs.77.393 crores + Rs.5.673 crores) as Additional financial implication excluding Price escalation upto1.06.2008.

6. Government after careful examination, hereby accord permission to the Chief Engineer, PIPHW Unit, Polavaram to the revision of balance work as on 01.06.2008 with SSR 2008-09 duly considering the tender discount of (-) 17.2353% less of Package No.62 of Polavaram Irrigation Project Head works for

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an amount of Rs.23.554 crores (Rs.106.62 crores - (Rs.77.393 crores+Rs.5.673 crores) as Additional financial implication excluding Price escalation upto1.06.2008 subject to the following Conditions:

• The rates are adopted with subsumed taxes i.e. based on SSR 2004-05 for the work done upto 31.05.2008 and for the balance work as on 1.06.2008 based on SSR 2008-09. In fact, the rates excluding taxes are to be worked out in terms of G.O.Ms.No.58 of 8.5.2018 for the balance work as on 1.7.2017 and get the final approval of the Government with the recommendations of SLSC & IBM Committee.

• The incompatible amount of Rs.7.83 Cr paid to the agency upto 8 th RA bill was reconciled in the subsequent bills after approval of 2nd payment schedule.

• The chief Engineer may be directed to submit separate proposal for net variation in quantities of all structures due to change in design/basic project parameters and in terms of G.O.Ms.No.22.

• The Chief Engineer, PIPHW Unit, Polavaram shall incorporate all these changes in the revised estimate and obtain approval of the Government for the same.

7. The Chief Engineer, PIPHW Unit, Polavaram shall take necessary action in the matter accordingly.

8. This order issues with the concurrence of Finance (FMU-WR.III) Department vide their Fin.U.O.No.FIN01-FMU0PC(WR3)/10/2019-FMU-WR-III, dated.16.02.2019.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SHASHI BHUSHAN KUMAR
SECRETARY TO GOVERNMENT

To
The Chief Engineer, PIPHW Unit, Polavaram.
Copy to:
The Engineer-In-Chief, Polavaram Irrigation Project, Dowlaiswaram
The Accountant General, AP, Hyderabad.
The Director of Works & Accounts, Ibrahimpatnam, Vijayawada.
The P.S to Minister (WRD).
The P.S to Secretary (WRD).
The Finance (FMU-WR III) Deptt.,
SF/SCs.

//FORWARDED::BY ORDER//

SECTION OFFICER